

# **Minutes of the Board of Water Commissioners' Meeting**

**Wednesday, August 31, 2011**

Present: Commissioners G. Van De Kreeke, R. Haen, A. Stewart, and J. Trueblood, Superintendent.

The meeting was called to order by G. Van De Kreeke, President, at 4:04 P.M. All present recited the Pledge of Allegiance.

## **Minutes of Previous Meeting**

Motion by Commissioner Van De Kreeke, seconded by Commissioner Haen, that the minutes of the July 2011 meeting be approved as presented. Motion carried unanimously.

## **Financial Reports**

Financial reports for July 2011 were reviewed. Commissioner Haen motioned, with a second by Commissioner Van de Kreeke, that the financials be approved as presented. A decrease in July's billings compared to last year was noted. Motion carried unanimously.

## **Superintendent's Report**

### **Operations' Department Report**

Superintendent reported that July pumpage increased 3.9% from 2010. Superintendent noted that an Allen Bradley PLC in low lift had failed. Also, Alliant Energy had worked in the area trimming trees and replacing electrical power poles. The Commissioners accepted the operations report as presented.

### **Construction Maintenance Department Report**

Superintendent advised that the crew has been repairing service holes and doing other cleanup work following water main installation in June. Other work included the installation of several service taps and security gratings attached to windows in the plant. The Commissioners accepted the construction maintenance report as presented.

## **Old Business**

### **Old Business Presented By Commissioners**

Commissioner Stewart asked about the AMI program that had been identified in the draft long term plan as an investment of nearly \$2M over eight years. Commissioner Stewart wondered if the project had been entirely planned. For discussion, he raised the idea of flat rate residential billing, which would eliminate the need for metering. He also wondered if the Utility could piggyback on other automated meter reading systems, such as those used by the natural gas or electric companies. Superintendent responded that AMI (automated metering infrastructure) is becoming industry standard and has been in place for private utilities for a number of years. Water Utilities are also starting to move into AMI for a number of reasons. In our case, it appears the manufacturers will no longer produce outside registers, which provide for a manual read outside of a home. This outdated technology is simple (a wire connects to the meter) but it still requires a meter-reader to physically access the outside register and log a reading. Most of the Utility's outside registers have been in service for twenty years or more, and have started to fail in larger numbers including wiring problems; the outside register system is reaching the end of its working lifetime and thus will require investment.

When failures occur, the Utility has normally taken the opportunity to install an Orion generator that provides a radio signal (instead of an outside register); then the reading can be taken remotely by driving in the vicinity with a receiver. AMI takes the technology one step further by providing a number of receivers and large antennas throughout the City; the readings are then acquired automatically and transferred to the Utility office by phone line or radio. With AMI, the infrastructure must be maintained, but it is no longer necessary to leave the office in order to acquire meter readings and generate billings. However, AMI is expensive and

adds other types of maintenance work. Superintendent responded that we had contacted WPS about the possibility of piggybacking with them; this was not part of their business model, and they did not indicate any interest in providing such a service. Commissioner Stewart advised that, because of the cost, the project would need further detailed planning before implemented. Superintendent agreed. However, Badger meter now provides generators that will work with either a radio-read system or AMI, and these are being installed on a case by case basis.

Flat residential water billing raises a number of issues. While it eliminates the cost of meters and reading, it turns water back into a user fee rather than a service fee based on consumption. How do you make it fair to users who inherently use different amounts of water (large family compared with single resident)? How do you incent customers to conserve water if they pay the same regardless of how much they use? Also, it is not clear that the WI Public Service Commission would approve of such a plan, which would be contrary to long-established water billing practices in the state.

Superintendent said that he and the accounts manager had many discussions of alternatives to an AMI system. Finally they had determined to extend installation of such a system over many years because the payback is hard to determine. But the project, if it begins, will definitely need further consideration in light of the costs.

### **Other Old Business**

#### **Update on claim by Mr. David Otte**

Superintendent reported that the insurance company had now fully considered the claim and is recommending that it be denied. Commissioner Van De Kreeke made a motion, seconded by Commissioner Haen, to deny the claim in full. Motion passed unanimously.

#### **Discuss and ask Board approval for plant roofing proposal**

Superintendent reported that the Utility had received two bids for roofing replacement in the water treatment plant. Kaltenbrun Brothers Roofing Co., Inc. bid at \$119,383.00. Butzen Brothers Roofing bid at \$88,000. Commissioner Stewart motioned, seconded by Commissioner Van De Kreeke, to accept the low bid. Motion passed unanimously.

#### **Update Board on water rate study by Baker Tilly**

Superintendent distributed results from the Baker Tilly study indicating that a revenue increase of just over 8% would result in a estimated rate of return of 5.5%; this is well below the PSC standard rate of return of 6.5% for public utilities. Superintendent stated that the study had been submitted to the Wisconsin Public Service Commission as part of the Utility's rate application.

### **New Business**

#### **Business to be presented by Commissioners**

There was none.

### **Other New Business**

#### **Discuss and ask Board approval for purchase of water main pipe for Eisner Avenue project**

Superintendent presented proposals for 500 feet of 12" ductile iron or PVC (C-900) water main pipe to be installed in Eisner Avenue. Davies provided a quote on ductile iron for \$15,913.00 including polyethylene encasement; HD Supply Water Works for \$16,935.00; First Supply LLC for \$17,090.00. Alternatively, for PVC pipe, the bids were HD Supply at \$9,587.20; Davies at \$9,696.00, and First Supply at \$9,728.00.

Commissioner Stewart made a motion, seconded by Commissioner Haen, to accept the low cost proposal for PVC pipe at \$9,587.20. Motion passed unanimously.

Discuss and ask approval for purchase of fire hydrants

Superintendent presented quotes for (12) 6'6" trench hydrants and (12) 7' trench hydrants. Davies proposed \$45,336.00; HD Supply proposed \$46,056.00; and First Supply proposed \$48,000.00. Motion by Commissioner Stewart, seconded by Commissioner Haen, to approve the low cost quote of \$45,336.00. Motion passed unanimously.

Discuss and ask approval for purchase of water valves, fittings, clamps

Superintendent presented quotes for water valves & misc items. Davies total at \$14,691.40; HD Supply at \$15,119.00; First Supply at \$16,787.05. Motion by Commissioner Van De Kreeke, seconded by Commissioner Stewart, to accept the low cost proposal at \$14,691.40. Motion passed unanimously.

Update Board on banking service fees provided by Associated Bank

Superintendent provided information from Associated Bank on their new service fee structure. Superintendent also advised that the City Finance Director had asked if the Utility was interested in considering other fee structures received by the City in their recent evaluation of banking services. After discussion, Commissioner Van De Kreeke expressed appreciation for the offer but felt the Utility was currently well served.

Discuss and ask Board approval for additional security fencing installed around the water treatment plant

Superintendent presented two quotes on approximately 450' of 8' chain link fencing, with two gates, to be installed in areas east of the plant. Century Fence Company was at a total of \$11,595.00; Wierman Carpentry was at \$22,400.00. Motion by Commissioner Haen, seconded by Commissioner Stewart, to accept the low cost bid at \$11,595.00. Motion passed unanimously.

Discuss and ask Board approval for a Utility grievance policy fulfilling the requirements of Act 10

Superintendent presented a draft version of a grievance procedure that was developed by Utility counsel. The procedure would go into effect on 1/1/2012. Motion by Commissioner Stewart, seconded by Commissioner Haen, to approve the procedure. Motion passed unanimously.

Discuss and ask Board approval for an R.O. informing Council of Board's intent to file for water rate increase with WI Public Service Commission effective in early 2012

After review, Commissioner Van De Kreeke made a motion, seconded by Commissioner Stewart, to approve the R.O. and submit to Council. Motion passed unanimously.

Discuss and ask Board approval on S. 13<sup>th</sup> Street water main bids

Superintendent presented a bid tabulation for approximately 2,640 L.F. of 20" ductile iron water main, along with hydrants, valves, and water services. Eight contractors provided bids. The low bid was by Dorner, Inc., at \$704,655.00; the high bid was by Advance Construction at \$984,745.20. Commissioner Van De Kreeke made a motion, seconded by Commissioner Stewart, to accept the low bid at \$704,655.00. Motion passed unanimously.

**Correspondence**

There was no additional correspondence.

**Approve Vouchers**

Motion by Commissioner Van De Kreeke, seconded by Commissioner Haen, that gross payroll of \$134,355.96, and the general vouchers of \$758,152.36 be allowed and approved. Motion passed unanimously.

**Personnel**

**Update Board on status of operations foreman**

Superintendent reported that the operations foreman is now back on duty.

**Interview candidate for operations supervisor position**

Superintendent introduced Mr. Chris Klawonn to the Board. Chris has been employed by the Utility as an operator since 10/30/2002. The Board members asked Mr. Klawonn to explain why he was interested in replacing the operations supervisor, Jim Carter, who is retiring at the end of the year. Mr. Klawonn explained that he has enjoyed his career in the water industry, has continued his education and professional development, has worked in supervisory positions before, has also worked at another large Wisconsin water utility, and feels that he would have the respect of his colleagues here if given the opportunity to become a supervisor. Commissioner Stewart pointed out possible difficulties of moving from an operator position to a supervisory position. There was discussion about the relative ease of gaining technical knowledge, but the ability to excel as a supervisor can be more difficult. Superintendent asked Mr. Klawonn about issues in the operations department that he would like to address going forward. Mr. Klawonn talked at length about sedimentation issues and sludge management. Superintendent also asked how Mr. Klawonn would develop less experienced staff members. Mr. Klawonn described his ideas related to more project involvement and more training. After further discussion, Commissioner Van De Kreeke thanked Mr. Klawonn for meeting with the Board and exchanging ideas. Commissioner Van De Kreeke made a motion, seconded by Commissioner Stewart, that the Board accept the Superintendent's recommendation that Mr. Klawonn be offered the position of operations supervisor, to be effective on December 5, 2011. Motion passed unanimously.

**Discuss and ask Board approval for longevity step for accounts manager**

Superintendent recommended that the accounts manager be advanced to the five year longevity step in accord with the supervisory salary schedule. Commissioner Van De Kreeke made a motion, seconded by Commissioner Haen, to approve the step. Motion passed unanimously.

**Other Matters**

There were no other matters discussed.

**August Board Meeting**

The next Board Meeting will be on Monday, Sept. 26, 2011, at 4:00 p.m. in the Utility conference room.

With no further business, the meeting adjourned at 5:50 PM on a motion by Commissioner Haen, seconded by Commissioner Stewart. Motion carried unanimously.

Minutes taken by:  
Superintendent  
Joe R. Trueblood

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Raymond W. Haen, Secretary